

DDA 82-2356/1

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

COMPT 82-1354

8 November 1982

Mr. Ray Kline
Deputy Administrator
General Services Administration
Washington, D.C. 20405

Dear Mr. Kline:

I am responding to your letter of 27 September in which you advised us of the intent of the General Services Administration (GSA) to implement the requirements of OMB Circular A-76 regarding custodial, building maintenance, and protective services.

As you are aware, the Central Intelligence Agency does have unique security requirements which must be taken into consideration with regard to all facets of our business. Beyond these security considerations, the reliability and timeliness which characterizes our response to national security requirements demands that the support rendered to the Agency's operational and production components must be second to none in terms of efficiency and effectiveness.

Given these considerations, particularly the security controls which we must impose on any maintenance or custodial work force, we must insist that representatives from the Agency actively participate in GSA's reviews concerning the efficacy of relying on private sources to provide maintenance, custodial, or protective services at any Agency installation.

The expense involved in the security clearance process, conducted solely by this Agency, would obviously be a major factor in any cost comparisons as well as the expense involved in providing mandatory escorts to accompany uncleared maintenance and custodial personnel. The extensive knowledge possessed by our own logistics and security personnel in these areas will assist you in obtaining an accurate, complete comparative analysis. Toward this end, Agency personnel will be in contact with the appropriate individuals at GSA in the next several weeks.

There is an intimate connection between security requirements and contractual services in carrying out the Agency's business. The enforcement of our security standards is, in fact, closely tied to the terms of our contracts as well as to our direct association and continuing dialogue with the firms themselves. These actions are orchestrated by our "industrial security program." In light of the foregoing and our experience with Building 213, if the reviews indicate that our custodial and/or maintenance

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services could be more economically performed by private sources, we must execute the contracts involved, with appropriate adjustments to our SLUC account.

With respect to the application of OMB Circular A-76 requirements concerning the services provided to the Agency by Federal Protective Officers, I would like to again express concern for our special security needs. As recognized by the Administrator of GSA in his visit to Langley, we are required to follow "extraordinary measures" to protect the national interests (see letter from the Administrator, GSA to the DCI, dated 14 December 1981). Along these lines, if the A-76 review indicates that it would be more economical to have our protective services performed by private sources, we do intend to request a waiver from OMB.

Sincerely,

A rectangular box with a black border, used to redact the signature of Harry E. Fitzwater.

Harry E. Fitzwater
Deputy Director
for
Administration

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With respect to the application of OMB Circular A-76 requirements concerning the services provided to the Agency by Federal Protective Officers, I would like to remind you of our special security needs. As recognized by the Administrator of GSA in his visit to Langley, we are required to follow "extraordinary measures" to protect the national interests (see letter from the Administrator, GSA to the DCI, dated 14 December 1981). Along these lines, if the A-76 review indicates that it would be more economical to have our protective services performed by private sources, we do intend to request a waiver from OMB.

Sincerely,

Harry E. Fitzwater
Deputy Director
for
Administration

CONCUR:

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[Redacted Signature]

Director of Logistics

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[Redacted Signature]

Director of Security

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[Redacted Signature]

Comptroller

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EO/DDA/[Redacted] ba (2 Nov 82)

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2 Nov 82
Date

2 Nov. 1982
Date

11/4/82
Date

SEP 27 1982

DD/A Registry

82-2356

Harry E. Fitzwater
Deputy Director for Administration
Central Intelligence Agency
Washington, DC 20505

Dear Mr. ~~Fitzwater~~ *Harry*:

The General Services Administration (GSA) is undertaking a nationwide effort to implement the requirements of OMB Circular A-76 for commercial and industrial activities performed by this Agency. We are required to rely on available competitive private sources to provide services, unless a comparative analysis shows in-house performance to be substantially more economical. During the remainder of FY 1982 and FY 1983, we will be concentrating on reviews of our custodial, building maintenance, and protective services.

Over the last several months, there have been discussions whether or not these services should be exempted from an A-76 review and continued in-house in certain cases due to unique security requirements.

Circular A-76, paragraph 8a(3)(d) stipulates that activity involvement with a classified program is not sufficient justification for maintaining in-house performance of the activity. GSA cannot waive the requirement for an A-76 cost review without approval from OMB. If you believe a waiver is needed, you are in the best position to justify it and you should request one from OMB.

The Office of Management and Budget has ruled that Federal Protective Officers performing law enforcement functions (i.e., exercising police powers, conducting investigations of crimes, etc.) are inherently governmental and are exempt from A-76. However, FPO's performing security or guard functions (i.e., fixed posts, pass checks, check physical premises, etc.) are not exempt, even if at a secure or classified location, and must be reviewed under the procedures of A-76. The activities listed in the attachment contain a mix of these functions. GSA will identify the precise number of positions performing law enforcement and security functions prior to each review.

Attached is a list of the activities where the security issue has been raised. Unless you are able to obtain a waiver from OMB, we plan to proceed with the A-76 review of those activities according to the attachment.

If a waiver is not granted, please be assured a successful contractor will provide the services with employees possessing the appropriate security clearance and will perform within acceptable standards. A contract will not be awarded if contract performance is not more economical according to the guidelines provided by OMB.

Sincerely,


RAY KLINE

Deputy Administrator

Enclosure

ATTACHMENT
Central Intelligence Agency

<u>ACTIVITY</u>	<u>LOCATION</u>	<u>PERSONNEL</u>	<u>START DATE</u>
Custodial	McLean, VA	114	10/83
Maintenance	McLean, VA	47	10/83
Protective Services	Langley, VA	21	8/83

Please Hand Carry

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

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FROM	EXTENSION	NO.
EO/DDA 7D-18 Hqs.	6534	DATE 2 November 1982

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

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1. D/Logistics	2 NOV 1982		OK	<p>ATT:</p> <p>The attached proposed letter to GSA is being forwarded to you for your concurrence prior to DDA's signature, at which time copies will be disseminated to you.</p>
2.				
3. D/Security 4E-60 Hqs.	2 NOV 1982	3 NOV 1982	K	
4.				
5. Comptroller 4E-06 Hqs.				
6.				
7.				
8. EO/DDA 7D-18 Hqs.				
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Harry E. Fitzwater
Deputy Director
for
Administration

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Director of Logistics

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EO/DDA, [] ba(2Nov82)

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2 Nov 82
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Date

4 NOV 1982

Date